

**OFFICE OF SPECIAL EDUCATION AND
EARLY INTERVENTION SERVICES**

**ALLOWABLE COST GUIDE
STATE AID & IDEA SECTION 611, PART B**

Sections 51a, 52, 53a of the State School Aid Act limit categorical reimbursement to costs approved by the Department of Education. Federal flowthrough funds for the Individuals with Disabilities Education Improvement Act (IDEA) are appropriated in Section 51a of the State School Aid Act and are subject to the same funding criteria as state funded programs, with the exception of costs reimbursed under the flexible funding provisions.

The following is a list of items approved to be included as direct costs on the SE-4096, Special Education Final Cost Report, IDEA Federal Grant application, and Final Expenditure Report (FER). This list also applies to on-grounds juvenile detention programs funded under Section 24 of the State School Aid Act. Items not on this list require prior Department written approval before being charged to the Federal grant or state aid.

Districts are reminded that costs contracted from another Michigan public school district may not be reported on the SE-4096 and Section 24 cost reports or the IDEA Federal grant budget.

Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
122	INSTRUCTION-SPECIAL EDUCATION CLASSROOMS SALARIES (Column 3)			
	1240	Teacher costs must be reported using:		
		110 - Mild Cognitive Impairment	✓	✓
		120 - Moderate Cognitive Impairment	✓	✓
		130 - Severe Cognitive Impairment	✓	✓
		140 - Emotional Impairment	✓	✓
		150 - Specific Learning Disability	✓	✓
		160 - Hearing Impairment	✓	✓
		170 - Visual Impairment	✓	✓
		180 - Other Health Impairment	✓	✓
		190 - Severe Multiple Impairment	✓	✓
		191 - Early Childhood Special Education	✓	✓
		192 - Severe Language Impairment	✓	✓
		193 - Autism Spectrum Disorder	✓	✓
		194 - Resource Program	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is the last year allowable
	1630	Aide Salary (must work 100% of employment in special education, report by program assignment)- Instructional aides must be reported under Function Code 122-Instruction (lines 1-15 on the SE-4096)	✓	✓
	1690	Interpreter	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1870	Substitute Teacher (substitutes for IDEA professional development activities are reported under Function Code 221)	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable

✓ = Allowable

⊗ = Unallowable

Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
122	PURCHASED SERVICES STAFF (Column 5)			
	3110	Contracted Instructional Services Approved special education instructional staff must be reported using the program codes on page 1. This is for public school academies and intermediate school districts only. Tuition paid as professional development is not an allowable cost.	✓	✓
	3110	Substitute teacher or aide contracted from a third party agency. This is for local and intermediate districts and public school academies.	✓	✓
	3130	Professional/Technical contracted audiological medical service, psychologist, or other student services (reported under appropriate function codes).	✓	✓
	3190	Other Professional/Technical services for staff such as medical consultation not provided under employee benefits.	✓	✓
122	PURCHASED SERVICES NON-STAFF (Column 5)			
	3210	Local Travel for staff traveling between buildings only. Note: In-service/Conference travel is recorded under Improvement of Instruction as Function Code 221, Object Code 3220 for instructional staff. In-service/conference travel for support services staff is reported under function code 283, object code 3220. Payments for tuition are not considered Professional Development and are not an allowable expense.	✓	✓
	3610	Printing for instructional materials on a contracted basis.	✓	✓
	4120	Instructional Equipment Repair and Maintenance is limited to instructional equipment (i.e., hearing aides) used 100% for special education. This does not include repair or replacement costs for copy, fax, or other non-instructional machines.	✓	✓
	4220	Rental of special education instructional equipment; i.e., wheelchairs. This does not include rental of copy, fax, or other non-instructional machines.	✓	✓

✓ = Allowable

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
122	SUPPLIES (Column 6)			
	5110	Teaching Supplies and Materials includes consumable items and equipment valued under \$1,000 for each piece for state funds and \$5,000 for federal funds. Only items used for pupil evaluation or instruction are reimbursable. Included here would also be instructional assistive technology toolkits for students with IEPs. Furniture and instructional equipment ordinarily available for regular education pupils are not reimbursable, including such items as desks, chairs, lockers, movie and overhead projectors. Objects of expenditure should be assigned on a direct charge basis to each program.	✓	✓
	5210	Textbooks for exclusive special education use including Braille and Talking Book expense.	✓	✓
	5310	Library Books are limited to center programs in self-contained special education building and Special Education Learning Material Centers.	✓	✓
	5410	Periodicals for special education pupil use only.	✓	✓
122	CAPITAL OUTLAY (Column 7)			
	64xx	Capital Outlay refers to nonconsumable instructional equipment items costing \$1,000 or more (for each piece) for state aid and \$5,000 or more (for each piece) for federal grants. Furniture and instructional equipment ordinarily available for regular education pupils such as movie projectors and lab tables are not reimbursable. Computers used 100% in special education classrooms for instruction are reimbursable.	✓	✓
122	OTHER EXPENDITURES (Column 8)			
	7410	Dues and Fees for special education personnel memberships in professional organizations related to special education, as well as, professional licenses for instructional and support personnel. Criminal background checks and Hepatitis B vaccines are now recorded under Function Code 283, Object Code 3190 or 7410.	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
122	EMPLOYEE BENEFITS FOR INSTRUCTIONAL STAFF ONLY (Column 4)			
	2100	Insurance; i.e., individual health, dental, life, and other benefits in the 2100 series.	✓	✓
	2410	Physicals, Hepatitis B shots	✓	✓
	2800	Retirement, Social Security, Medicaid, and other employee benefits included in the 2800 series. Note: Tuition paid as an employee benefit is not an allowable expense.	✓	✓
		Refer to Attachment A, "Reimbursement for Unemployment Costs for Special Education Personnel as well as Personnel Eligible for Funding under Section 24 of the State School Aid Act," before charging unemployment.		
	2920	Cash Payments in lieu of benefits in the 2100 series.	✓	✓
213	HEALTH SERVICES			
	1160	Supervision (must be at least half-time special education)	✓	✓
	1410	Physician (when listed as an employee)-for diagnosis or evaluation services only Note: Services provided by a physician (other than for diagnostic or evaluation purposes are subject to the medical services exclusion and not reimbursable (Garret vs. U.S. Supreme Court, March 3, 1999).	✓	✓
	1450	Nurse (special education only)	✓	✓
	1470	Physical Therapist	✓	✓
	1480	Occupational Therapist	✓	✓
	1490	Other Technical (Department approval required)	✓	✓
	1620	Secretary/clerical must work 100% of their employment in special education	✓	2011-12 is the last year allowable
	1630	Aides-must work 100% of employment in special education, includes health care aides serving the OT, PT and Nurse	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
214	PSYCHOLOGICAL SERVICES			
	1430	Psychologist/psychiatrist	✓	✓
	1620	Secretarial/clerical-must work 100% of their employment in special education	✓	2011-12 is the last year allowable
	1630	Bilingual Aides under R 340.1793	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓
215	SPEECH PATHOLOGY AND AUDIOLOGY			
	1280	Speech and Language Therapist	✓	✓
	1490	Audiologist	✓	✓
	1620	Secretary/clerical-must work 100% of their employment in special education	✓	2011-12 is the last year allowable
	1630	Bilingual Aides under R 340.1793	✓	✓
	1820	Substitute for speech audiology	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓
216	SOCIAL WORK SERVICES			
	1440	School Social Work	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is the last year allowable
	1630	Bilingual Aides under R 340.1793	✓	✓
	1820	Substitute School Social Worker	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
217	VISUAL AID SERVICES			
	1270	Media specialist for the Visually impaired	✓	✓
	1290	Orientation and Mobility Specialist	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is last year allowable
	1630	Aide-must work 100% in special education	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs Michigan public school district may not be reported)	✓	✓
218	SPECIAL EDUCATION TEACHER CONSULTANT AND EARLY CHILDHOOD SERVICES			
	1250	Instructional Consultation including special education teacher consultants and non-classroom early childhood special education staff – this line is for personnel functioning as a teacher consultant only. Personnel functioning as classroom teachers and teacher consultants are reported as instructional personnel (contact the Department for reporting requirements).	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is the last year allowable
	1630	Aides-must work 100% of their employment in special education, for early childhood classroom programs only	✓	✓
	1820	Substitute Teacher Consultant	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
219	OTHER PUPIL SERVICES			
		This includes Transition Coordinator, Music therapist, Recreation Therapist, Teachers of Homebound/Hospitalized and Other Professional Personnel who qualify under R340.1792 and are not included elsewhere		
	1490	Other Professional Personnel	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is the last year allowable
	1630	Aides-must work 100% in special education	✓	✓
	1860	Substitute or temporary aide	✓	✓
	1880	Substitute or temporary clerical	✓	2011-12 is the last year allowable
	1890	Substitute Homebound/Hospitalized	✓	✓
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan school district may not be reported)	✓	✓
221	IMPROVEMENT OF INSTRUCTION			
	1870	Substitute Teachers (IDEA professional development activities only)	⊗	✓
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓
226	SUPERVISION AND DIRECTION OF INSTRUCTIONAL STAFF			
	1120	Assistant Superintendent/Director of Special Education with the title of Assistant Superintendent (must be at least half-time at the local district or PSA level). ISD Special Education Directors must be full time.	✓	✓
	1160	Supervisors (must be at least half-time at the local district or PSA level).	✓	✓
	1170	Director of Special Education who is not an Assistant Superintendent (must be at least half-time at the local district or PSA level). ISD Special Education Directors must be full time.		✓
	1620	Secretary/clerical working 100% of their employment in special education.	✓	2011-12 is the last year allowable
	1880	Substitute or temporary secretary/clerical	✓	2011-12 is the last year allowable
	3000-4000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
231	BOARD OF EDUCATION (Purchased Services Only)			
	3170	Hearing Officer and Mediation Fees. Hearing officer fees when an attorney is a hearing officer as required by special education rules. Note: School attorney fees for hearings are not allowable.	✓	✓
	3180	Federal audit expenses. Chargeable to the appropriate federal grant provided there is a bill showing actual audit costs.	⊘	✓
	3190	Professional technical. Hearing officer and mediation fees if an attorney is not used. Court recorders for hearing cost are included here.	✓	✓
241	OFFICE OF SCHOOL PRINCIPAL			
	1160	Special education supervisors acting as principals where the school building is used solely for special education purposes	✓	✓
	1620	Secretary/clerical working 100% of their employment in special education	✓	2011-12 is the last year allowable
	1880	Substitute or temporary secretary/clerical	✓	2011-12 is the last year allowable
	3000-4000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓
	7000-	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported)	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
261	DIRECT OPERATION AND MAINTENANCE			
	<p>Limited to facilities used solely for special education where the direct cost method is used. If a district chooses to use this method, the district must include a description of how the direct operation and maintenance is calculated. The district may not charge indirect costs for any special education supportive or related service housed in a facility for which direct operation and maintenance is charged. A description must accompany the SE-4096 and include: (a) a list of all special education programs, support services, and related service personnel housed in the facility; (b) the salary and related costs for each; and (c) the procedure used to deduct these costs from the indirect cost claimed by line item.</p> <p>Special procedures and examples are available from the Office of Special Education and Early Intervention Services upon request. The combination of direct and indirect totals cannot exceed the limit established in the State School Aid Act which is presently 15 percent.</p>			
	1550	Crafts and Trades	✓	⊗
	1620	Other Operation and Services. This is limited to switchboard operator or receptionist in a facility used exclusively for special education.	✓	⊗
	1640	Custodian	✓	⊗
	1670	Laborer	✓	⊗
	2000	Employee Benefits (same as for teachers, see page 3)	✓	⊗
	3000	Purchased Services	✓	⊗
	3800	Utilities	✓	⊗
	3900	Insurance	✓	⊗
	4100	Repair and Maintenance Services	✓	⊗
	4200	Rentals	✓	⊗
	5900	Supplies and Materials for Operation and Maintenance	✓	⊗
271	PUPIL TRANSPORTATION			
	<p>This code is used to report costs for federally funded field trips and Department approved Section 53a transportation. Refer to Attachment C, "Use of Federal Funds Under the Individuals with Disabilities Education Act to Reimburse Field Trips." Section 53a transportation expenditures are carried forward from the SE-4094 Transportation Expenditure Report to this line.</p>		Section 53 Transportation only	✓
281	PLANNING, RESEARCH, DEVELOPMENT AND EVALUATION (Line 35)			
	Costs limited to those 100% attributable to special education programs and services			
	1180	Special education approved personnel functioning as planner/monitors, child find coordinators, or compliance personnel.	✓	✓
	1620	Secretary/clerical-must work 100% of employment in special education	✓	2011-12 is the last year allowable
	1880	Temporary clerical-must work 100% of employment in special education.	✓	2011-12 is the last year allowable
	3000-7000	Series, refer to page 2 for directions (contracted costs from another Michigan public school district may not be reported).	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
283	STAFF/PERSONNEL SERVICES			
	3190	Criminal background checks/hepatitis B vaccines	✓	✓
	3220	Workshops/conferences/travel for non-instructional personnel	✓	✓
	7410	Criminal background checks/hepatitis B vaccines	✓	✓
284	SUPPORT SERVICES TECHNOLOGY For ISD Central Registry Use Only (Line 35)			
	Data processing costs related to instructional materials are reported under instructional function. If the districts operate their own computer program, an auditable method of billing must be used. Reimbursement is limited to operational costs and may not include purchase or replacement of equipment in the service cost. Refer to Attachment B for more detail.			
	1510	Data Processing Personnel (one secretary/clerical may be federally funded for the central registry at the ISD only)	⊘	✓
	3160	Contract data processing services for central registry only from a nonschool entity. Costs cannot include programming charges or overhead costs. They are limited to machine time, keypunch and supplies. Refer to Attachment B, "Use of Special Education Funds for Computers and Related Expenses."	✓	✓
299	OTHER SUPPORT SERVICES			
	4190	Other Purchased Services - room and board for special education students.	✓	⊘
331	COMMUNITY ACTIVITIES			
	3220	Travel Expenses for Special Education Parent Advisory Committee members.	✓	✓
421	PAYMENTS TO OTHER GOVERNMENT UNITS OUTSIDE THE STATE			
	8310	Tuition for pupils attending public school in another state. This is restricted to either districts that border another state or placements approved under the November 14, 1989 State Board Policy, "Application and Procedure for State Board of Education Authorization for Public Education Agency Placement of a Handicapped Pupil in a Private School."	⊘	✓
431	PAYMENTS TO THE STATE SCHOOLS FOR DEAF AND BLIND Intermediate School Districts (ISD) Only			
	3710	Tuition for the Michigan Schools for the Deaf and Blind may be charged to either state or federal funds.	✓	✓

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Function Code	Object Code	Program Code	State Aid Funds 20010-11	IDEA Flowthrough 2011-12
441	PAYMENTS TO OTHER GOVERNMENTAL ENTITIES			
	8910	Transfers to the Michigan Department of Labor and Economic Growth, Rehabilitation Services, MDLG-RS, related to a cooperative agreement that assures the district receives special education services at least equal to the amount transferred to MDLG-RS, are eligible. Report these costs on line 40, column 8. Transfers to the Department of Community Health, the Department of Human Services or other governmental units for cooperative services, are not reimbursable. Section 51a limits reimbursement to "approved special education personnel."	✓	⊘

Technical Assistance

Direct any questions to the Office of Special Education and Early Intervention Services, Program Finance at the following address and telephone numbers:

Michigan Department of Education
Office of Special Education and Early Intervention Services
Program Finance
P.O. Box 30008
Lansing, Michigan 48909

Telephone: (517) 241-1235 or email
Federal funds: John Andrejack, AndrejackJ@michigan.gov
State funds: Dianne Easterling, EasterlingD@michigan.gov

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